



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

**FOR IMMEDIATE RELEASE**

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**CalSTRS Adopts Angelides Proposal Seeking Mutual Fund Accountability to Investors**  
*STRS money managers also pressed to disclose proxy votes*

SACRAMENTO, CA – California State Treasurer Phil Angelides today secured approval by the California State Teachers' Retirement System (CalSTRS) board, of which he is a member and Chairman of the Subcommittee on Corporate Governance, of a new policy aimed at pressuring mutual funds to disclose their proxy votes.

"In today's climate of corporate scandal and insider dealings, it is crucial that mutual funds come clean with their voting records. Investors have a right to know whether a mutual fund votes in the interest of investors – also known as families and pensioners – or in lock step with corporate management whose lucrative 401(k) and pension fund business they desire," Angelides said.

Mutual funds are among the largest owners of American corporations, controlling a substantial amount of the proxy voting power at U.S. companies. "How mutual funds cast their votes on critical corporate governance matters – from executive compensation to director independence – can have an important effect on efforts to restore credibility to the financial markets," Angelides commented. However, mutual funds – with few exceptions – have consistently refused to disclose how they vote their proxies. The Treasurer noted their refusal to do so is particularly troublesome given the inherent conflict which exists within these mutual funds because they serve both as shareholders and as managers of 401(k) and pension fund assets on behalf of corporations.

At today's meeting, CalSTRS approved a policy by which CalSTRS would make its proxy policies and votes available to the public on its website. Currently the votes are available to the public upon request. CalSTRS also approved a policy to urge all of its money managers to disclose their proxy policies and votes. The Board further voted to urge the Securities and Exchange Commission (SEC) to adopt the strongest possible measures to require disclosure of mutual funds' proxy policies and votes. The SEC recently proposed a rule on this matter.

Today's focus on mutual funds is the latest in a series of actions taken by Angelides to restore integrity and accountability to the financial marketplace. Angelides has told investment banks they must adopt measures to sever the link between banking and research analysts or risk losing the right to do business with the Treasurer's Office; he has ceased to invest in, or do business with, U.S. publicly held companies that relocate, in name only, to tax havens such as Bermuda in order to dodge taxes and weaken shareholders' rights; and he co-convened an investor summit in New York at which financial officers from 14 states pledged to develop a common agenda for reform of the financial markets.